(d) To promote Indian Teas in the country as well in overseas markets, Tea Board has taken various steps which include launching of a Generic promotion campaign for improving the consumption of tea within the country, registration of Tea Board Logo and speciality Tea Logo in major tea importing countries, remove bottlenecks in exports to individual markets, participation in major trade fairs/ exhibitions abroad; field sampling at speciality stores and in principal markets; media campaign to increase consumer awareness of speciality Indian teas and to popularise the Tea Board marketing symbol; exchange of tea delegations etc. The Tea Board has also prepared a medium term export strategy on tea for the next five years by engaging a consultant M/s. Accenture.

**Supply of Sugar to Nepal**

2395. SHRI H. K. JAVARE GOWDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the State Government of Karnataka has entered into an Agreement with Nepal to Supply Sugar of the Mysore Sugar Company; if so, the details thereof;

(b) whether the transaction required Government of India Performance Guarantee;

(c) if so, whether Government of India have offered Performance Guarantee; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PR AT AP RUDY): (a) to (d) In response to a tender floated by Nepal Food Corporation, M/s. Mysore Sugar Company Limited an undertaking of Government of Karnataka, signed a contract with the Ncpalcse Corporation on 22nd October, 2001, for supply of 10,000 MTs of sugar with specifications given in the tender. After signing the contract, the Indian company realized that sugar with the specifications given in the contract were not available in their stock. Further, the Indian company quoted a price on the assumption that exports to Nepal would be eligible for draw back of excise duty paid

in India which is not so because the export proceeds from Nepal arc not realized in convertible currency, a pre-condition for eligibility for duty draw back. They were therefore unable to fulfil their actual obligation. On account of non supply, Nepal Food Corporation have invoked the performance guarantee given by the Mysore Sugar Company. The Indian company has challenged it in the court of law in Nepal.

There is no involvement of Government of India in the above said contract and they are not required to give any performance guarantee

**Cost of production of Tea**

2396. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Tea Industry is facing crisis situation with price falling steeply during the recent years;

(b) the price of tea in 1998 and its price at present;

(c) whether cost of production has gone up during these years; and

(d) the steps being taken to bring about improvement in the situation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) Yes, Sir. The tea industry in the country is facing crisis situation due to falling price in recent years. The average prices of tea in India registered a decline during the year 1999, 2000, 2001 and the current year so far over 1998. During 1999 the decline in price was due to substantial set back in prices of tea in South India but the North Indian tea prices were at a comfortable position over 1998. During 2000 and 2001 the prices of tea both at North and South India have registered a decline over 1998. The details are given below;